

MINUTES
FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 11

December 4, 2012

The Board of Directors (the "Board") of Fort Bend County Levee Improvement District No. 11 (the "District") met in regular session, open to the public, on the 4th day of December, 2012, inside the boundaries of the District, at Mike Stone Associates, Inc., 19875 Southwest Freeway, Suite 270, Sugar Land, Texas, and the roll was called of the members of the Board:

Justin Ring	President
Jared Jameson	Vice President/ Assistant Secretary
Stuart Rimes	Secretary/ Assistant Vice President

and all of the above were present except Director Rimes, thus constituting a quorum.

Also present at the meeting were Bob Grant, a resident of the District; Jeff Perry and Clark Carruth of Levee Management Services, LLC ("LMS"); Pat Naff of CDC Unlimited, LLC ("CDC"); Erin Garcia of Myrtle Cruz, Inc.; Greg Ordeneaux of Tax Tech, Inc.; and Lynne B. Humphries and Margaret Harwell of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the October 16, 2012, and November 16, 2012, regular meetings, which were provided in advance of the meeting. Following review and discussion, Director Jameson moved to approve the minutes as submitted. Director Ring seconded the motion, which was approved by unanimous vote.

COMMENTS AND QUESTIONS FROM THE PUBLIC

There were no members of the public who wished to address the Board.

PREPARATION OF ANNUAL REPORT

Ms. Humphries stated that the District is required to file updated financial information and operating data in the form of an annual report with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access System prior to March 31, 2013. She requested authorization for ABHR to work with the District's consultants to prepare the report. Following discussion, Director Jameson moved to authorize preparation of the annual report. Director Ring seconded the motion, which passed by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Garcia distributed and reviewed the bookkeeper's report, including the monthly budget comparison and list of checks presented for approval. A copy of the bookkeeper's report is attached. Ms. Garcia next discussed the District's cost sharing agreement for levee and pump station costs with Fort Bend County Municipal Utility District No. 116 ("MUD 116") and said she needs LMS to break out the portion of its base monthly fees attributable to levee and pump station no. 1 maintenance so she can submit an invoice to MUD 116 for its 22% share. Mr. Perry said LMS will coordinate with Ms. Garcia to provide these breakdowns. Following review and discussion, Director Jameson moved to approve the bookkeeper's report and payment of the bills. Director Ring seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Ordeneaux distributed and reviewed the tax assessor/collector's report, a copy of which is attached. After review and discussion, Director Jameson moved to approve the tax assessor/collector's report and payment of the tax bills. Director Ring seconded the motion, which passed unanimously.

OPERATION OF DISTRICT FACILITIES

Mr. Carruth distributed and reviewed the monthly operator's report, a copy of which is attached. He reviewed and discussed work completed by LMS during the last month as reflected in his report.

Mr. Carruth discussed the tour of District facilities conducted on November 16, 2012 and action items from such meeting. He said ABHR provided a form letter to LMS that may be sent to District residents regarding debris or other encroachments behind resident fences, as directed by the Board at the November 16th meeting. Mr. Carruth reviewed a proposal from LMS for fencing off access to the District's levee in eight cul-de-sac areas owned by the Greatwood Community Association ("HOA"). He noted pricing options for bollards and cables, white or black painted tube steel, and white or black powder coated tube steel. After review and discussion, the Board concurred to table consideration of the proposal until next month's meeting.

Mr. Carruth reviewed a proposal from LMS to provide treatment of fire ants along the levee on a quarterly basis for a cost of \$2,520 per quarter, or \$10,080 per year, in accordance with U.S. Army Corps of Engineers Rehabilitation and Inspection Program standards. After review and discussion, the Board concurred to table consideration of the proposal until next month's meeting.

Mr. Carruth reported on re-filling of the District's detention pond to its original condition before the Middle Bayou erosion project began. He said the re-filling had been done by pumping water held in Middle Bayou by coffer dams, in accordance with

the District's water rights permit. He said the lack of rainfall has slowed the re-filling process. Mr. Carruth and Ms. Humphries then discussed a recent order issued by the Texas Commission on Environmental Quality ("TCEQ") suspending certain permitted Brazos River water rights, including the District's water rights. Mr. Carruth said LMS was notified of the water rights suspension and discontinued pumping from Middle Bayou and removed the coffer dams and pump. He said the District's engineer is coordinating with the Fort Bend Subsidence District ("FBSD") regarding the possibility of the District pumping water from the HOA or Golf Club wells to restore the detention pond to its original condition; and the possibility of the FBSD waiving or reducing the disincentive fees for water pumped by the District from such wells.

Mr. Carruth reviewed correspondence with the insurance adjuster regarding the District's damaged pump no. 4 at pump station no. 1. He said the repair costs totaled \$12,953 and the deductible is \$12,500, and he asked the Board whether they wish for LMS to submit a claim. After discussion, the Board concurred LMS should not submit a claim for the pump repair to the District's insurance company.

Mr. Carruth reviewed a proposal from LMS to oversee the work done by Stewart & Stevenson Power Products, LLC to replace the injectors and have the pump rebuilt on generator no. 2 at pump station no. 1. He said the work would be completed in two days, with the repair costs totaling \$10,786.56.

After review and discussion, Director Jameson moved to approve the operator's report and the proposal in the amount of \$10,786.56 to replace the injectors and have the pump rebuilt on generator no. 2 at pump station no. 1. Director Ring seconded the motion, which passed unanimously.

ENGINEERING MATTERS

Director Ring said the District's engineer was unable to attend today's meeting. He reviewed correspondence from the engineer indicating a final inspection was held for the Middle Bayou detention pond erosion protection and improvements project on December 3rd and the contractor is working on the punchlist items. Ms. Humphries presented the finalized contract with Berg Oliver to complete plantings around the detention pond in accordance with the plans and specifications for the Middle Bayou project, which was authorized by the Board at the October meeting.

Director Ring said the engineer also indicated CenterPoint Energy has not scheduled the power pole relocations, subject to finalizing details for the District's proposed emergency operations building site. Ms. Humphries said the engineer indicated it is too soon for the Board to consider authorizing application to the TCEQ for release of escrowed funds designated for the project since the plans have not been finalized and approved by the necessary governmental agencies.

PHASE II MS4 STORM WATER MANAGEMENT PLAN IMPLEMENTATION

There was no discussion on this item.

DISASTER PREPAREDNESS COMMITTEE MATTERS

Director Ring said the Disaster Preparedness Committee has not met.

FORT BEND FLOOD MANAGEMENT ASSOCIATION MATTERS/ ACTIONS

Director Jameson reported on recent Fort Bend Flood Management Association ("FBFMA") meeting he attended on behalf of the District. He noted the FBFMA annual participant meeting is scheduled for December 14, 2012, at the Greater Fort Bend Economic Development Council ("FBEDC").

RESOLUTION ESTABLISHING ADDITIONAL OUT-OF-DISTRICT MEETING PLACE

The Board considered establishing additional meeting places outside the boundaries of the District at the FBEDC, One Fluor Daniel Drive, Sugar Land, Texas 77478, the offices of LMS, 1650 Highway 6 South, Suite 430, Sugar Land, Texas 77478, and the Fort Bend Chamber of Commerce, 445 Commerce Green Blvd., Sugar Land, Texas 77478, which are hereby declared to be public places and open to the public. The Board then reviewed a list of previously established meeting places and concurred the out-of District meeting places previously established at 10405 Corporate Drive, Sugar Land, Texas 77478, the George Ranch, 10215 FM 762, Richmond, Texas 77469, ECO Resources, Inc., 12535 Reed Road, Sugar Land, Texas 77478, and Charter Title Co., 15958 City Walk, Suite 200, Sugar Land, Texas 77479, should be abolished. After review and discussion, Director Jameson moved to adopt a Resolution Establishing Additional Out-of-District Meeting Places to establish out-of-District meeting places at the three noted locations and abolishing places previously established, authorize publication of the appropriate Notice of Establishment of Additional Out-of-District Meeting Places, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Ring seconded the motion, which passed unanimously.

REPORTS ON GREATWOOD PRESIDENT'S MEETING AND ACTIVITIES AND FOLLOW UP ON LEVEE AND DRAINAGE FACILITIES AND OTHER DISTRICT AND GREATWOOD REGIONAL MATTERS

There were no additional reports.

ENERGY SERVICES CONTRACT

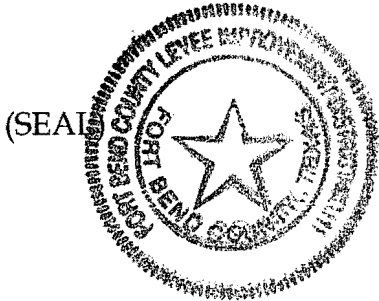
Mr. Elliott discussed the District's 4-month contract with Constellation New Energy for electricity service to serve pump station no. 1, which expires in January. He said the District's electricity meter serving pump station no. 2 is under contract with

Reliant Energy until January. Mr. Elliott distributed and reviewed pricing options for a new contract for both meters to begin in January upon expiration of the existing contract with Reliant Energy for the meter serving pump station no. 2 and the existing contract with Constellation New Energy for the meter serving pump station no. 1. After review and discussion, Director Ring moved to authorize execution of a two-year contract with Constellation New Energy for electricity service to serve both pump stations, effective January 7, 2013, subject to ABHR's review and approval of the proposed contract. Director Jameson seconded the motion, which passed unanimously. Mr. Elliott then left the meeting.

CONSULTANT REVIEW MEETING

Director Jameson discussed his recommendation at the October meeting for the Board to consider reviewing the District's consultant contracts and the fees charged for their services. After discussion, the Board concurred to table this item until the full Board is present.

There being no further business to come before the Board, the meeting was adjourned.



Secretary, Board of Directors

ACTION LIST

1. Director Rimes will complete the required Open Meetings Act training and will forward his certificate of completion to ABHR for the District's records.
2. Director Rimes will review the conflicts of interest forms and file the necessary forms with ABHR for any disclosable conflicts.

Pending Action List for new operator:

1. LMS will present a proposal for repair of ditch washouts and re-grading of backslope swales.

LIST OF ATTACHMENTS TO MINUTES

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